

**STATE OF VERMONT
BEFORE THE PROFESSIONAL RESPONSIBILITY BOARD**

In Re THOMAS MELONE,
(Thomas Melone, Respondent)

PRB File No. 25-120

**RESPONDENT’S SUPPLEMENT TO RESPONDENT’S SPECIAL MOTION TO
STRIKE UNDER 12 V.S.A. § 1041,
MOTION TO DISMISS FOR FAILURE TO STATE A
CLAIM, MOTION FOR A MORE DEFINITE STATEMENT**

Respondent THOMAS MELONE (“Respondent”) hereby supplements his motion to strike the Petition for Misconduct (the “Complaint” or “Petition”) and his motions to dismiss and for a more definite statement. The enclosed verified complaint, *see* **Attachment 1**, filed against the Benn High developer was only discovered today by the Respondent.

Count V of the Complaint against Respondent focuses on the “Benn High” project and alleges, *inter alia*, that the Respondent had “no substantial purpose other than to delay or burden a third person, the Bennington High developer.” As stated in the Respondent’s prior filings, the Respondent vigorously disputes that. The allegations in Count V made by Mr. Hanley are simply based upon Mr. Hanley’s conclusory statements, are devoid of facts and lack the specificity required under both A.O. No. 9 and the Vermont Rules of Civil Procedure, particularly V.R.C.P. 9(b).

Attached for inclusion in (and as a supplement to) Respondent’s motion to strike, motion to dismiss and motion for a more definite statement is the verified complaint filed by Jon E. Hale against Zachery Hale on October 22, 2025. Zachery Hale is the “Bennington High developer” referred to in the Complaint. The verified father vs. son complaint filed by Jon Hale (father) serves to reinforce the good faith and valid concerns with respect to the Zachery Hale Benn High project that the Respondent’s litigation involving the Benn High project sought to address.

The verified allegations that Jon Hale makes against the Benn High developer are serious and obviously are relevant not only to the credibility of the Benn High developer and the affidavits

that he submitted in relation to Respondent's litigation that is the subject of Count V, but to the challenges Respondent made to the Benn High project under the leadership of Zack Hale. And thus it is relevant to this prosecution by Mr. Hanley in respect of Count V. The verified complaint against the Benn High developer, Zack Hale, makes multiple serious allegations. For example, Jon Hale appears to allege a violation of United States immigration laws in paragraph 9:

At the behest of Defendant, Plaintiff agreed that the company would hire Lynn Zhang, Defendant's paramour, to act as the controller/bookkeeper of the company. As Zhang is a foreign national, who did not have authority to work in the United States, Plaintiff additionally agreed that the company would seek a H1-B visa for Zhang, at the company's expense. Zhang ultimately obtained the H1-B visa, and remains employed with the company.

The verified complaint also appears to allege financial mismanagement, including of the Benn High project itself. In Paragraph 19, for example, it is alleged that Zackery Hale distributed proceeds to himself from a liquidity line of credit apparently restricted to use for the Benn High project and allegedly in violation of the Benn High project's financial obligations:

On October 10, 2025, Plaintiff received an e-mail from Defendant advising that he had removed \$236,056.14 from the VHIFII credit line without first advising Plaintiff or obtaining his consent. Plaintiff further indicated that he had distributed the funds to himself personally in order to cover the expenses of Hale Resources.

Paragraph 21 of the verified complaint also alleges: "21. Defendant's unilateral decision to remove funds from the VHIFII credit line and distribute them to himself violated the loan guarantees assumed by Plaintiff and Hale Resources."

As stated in Respondent's prior filings, Respondent was not alone in expressing serious concerns with respect to the Benn High project. The allegations in the verified complaint vindicate and further justify the Respondent's decision to pursue litigation involving the Benn High project. And it further shows that Mr. Hanley is simply retaliating for Mr. Melone's unpopular viewpoint regarding the Benn High project and Mr. Melone's exercise of his First Amendment rights to free speech and to petition

Dated: October 28, 2025

Respectfully submitted,
/s/Thomas Melone
Thomas Melone
601 S. Ocean Blvd.

Delray Beach, FL 33483
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Facsimile: (801) 858-8818
Thomas.Melone@AllcoUS.com

ATTACHMENT 1

STATE OF VERMONT
SUPERIOR COURT
BENNINGTON UNIT

Civil Division
Case No.:

JON E. HALE,

Plaintiff,

vs.

ZACHARY HALE,

Defendant.

_____ /

VERIFIED COMPLAINT

NOW COMES Plaintiff JON E. HALE, by and through undersigned counsel, who hereby sues Defendant ZACHARY HALE, and in support thereof states as follows:

JURISDICTION AND VENUE

1. This is a civil action for the dissociation of a member of a Vermont limited liability company having its principal office in Bennington County, Vermont, and is thus properly before this Court.

2. Plaintiff is a resident of Bennington County, Vermont, and is thus *sui juris*.

3. Defendant is a resident of Bennington County, Vermont, and is thus *sui juris*.

4. All of the acts and omissions giving rise to the causes of action stated herein occurred in Bennington County, Vermont, and thus this Court is the proper venue for this matter.

5. All prerequisites to the maintenance of this action have occurred or been waived.

GENERAL ALLEGATIONS APPLICABLE TO ALL CAUSES OF ACTION

5. On or about February 11, 2009, Plaintiff incorporated Hale Resources LLC (hereinafter “Hale Resources”) as a single-member Vermont limited liability company. Hale Resources provided property management and construction management services to entities owned by Plaintiff and the general public.

6. On or about March 4, 2019, Hale Resources entered into an Operating Agreement, a copy of which is appended hereto as Exhibit “1.” Pursuant to the Operating Agreement, Plaintiff retained a 60% membership interest in Hale Resources, and Defendant, his son, was granted a 40% membership interest in the company.

7. Article III, Section 3.1 of the Operating Agreement provides that the powers of the company were to be vested in the Members of the company, and that each Member would have equal authority to effectuate the business of the company. This is consistent with 11 V.S.A. §4054(b), which provides that the members of a member-managed Vermont limited liability company have equal authority to participate in the operations and management of the company.

8. Subsequent to the execution of the Operating Agreement, Defendant assumed the role of “CEO,” which, as a practical matter, meant that he assumed the managerial and day-to-day responsibilities necessary to run the front office of the company, while Plaintiff assumed the duties of construction manager, supervising the work performed on the properties that contracted with Hale Resources.

9. At the behest of Defendant, Plaintiff agreed that the company would hire Lynn Zhang, Defendant’s paramour, to act as the controller/bookkeeper of the company. As Zhang is a foreign national, who did not have authority to work in the United States, Plaintiff additionally agreed that the company would seek a H1-B visa for Zhang, at the company’s expense. Zhang ultimately obtained the H1-B visa, and remains employed with the company.

10. Plaintiff and Defendant agreed that the company would pay certain remuneration to its Members, including, but not limited to, a distribution of \$1,000 per week, plus reimbursement for life insurance, health insurance, and transportation costs.

11. Although the parties intended that Defendant would manage the financial matters of the company on a day-to-day basis, Plaintiff did not cede any of his rights to participate in the operation of the company, including, but not limited to, all decision-making processes, which he maintained pursuant to the express terms of the Operating Agreement and Vermont law.

12. Shortly after Defendant assumed the role of CEO, Plaintiff raised his concerns about Plaintiff’s poor managerial skills and improvident financial

decisions. Defendant largely ignored these concerns, and generally excluded Plaintiff from decisions regarding the operation of the company. Additionally, Defendant granted Zhang, his paramour, increasing authority over the financial affairs of the company, effectively usurping Plaintiff's ability to exercise any authority over the company's expenditures. Over time, Plaintiff's relationship with Defendant and Zhang became so fraught and contentious that he was unable to be present with her in the company's office.

13. By 2024, the parties' relationship had deteriorated to the point where Plaintiff made clear to Defendant that he wished to terminate his business relationships with him, including their association in Hale Resources LLC. Although the parties engaged in discussions regarding the termination of their relationships, no final decision was reached. Although Defendant has made repeated reference to resolving the conflicts between the parties, he has not taken any steps to actually effectuate such a process.

14. During this period, Hale Resources agreed to develop the site of the former Bennington High School into a multi-use building for residential and commercial occupancy ("the Benn High project"). In order to obtain the necessary funding, the parties and Hale Resources were each required to guarantee payment of the loans. If the loans went into default, the parties and Hale Resources could each be liable for millions of dollars in losses.

15. As an additional guarantee for the funding, Vermont Housing Initiative Fund II, LLC ("VHIFII"), a related entity owned by the parties, was to maintain a \$500,000 line of credit at Heritage Family Credit Union in order to

guarantee liquidity during the course of the project. The failure to maintain the credit line would act as a default on the loan guarantees, thus potentially exposing the parties and Hale Resources to liability.

16. Hale Resources has experienced numerous cash shortfalls due to the mismanagement of Defendant and Zhang. To make up for these shortfalls, Defendant has frequently borrowed from other entities owned by the parties and loaned these funds to Hale, and, on at least one occasion, he borrowed funds from Zhang, which created a significant conflict of interest. Although Plaintiff was aware that loans had been made, mostly after the fact, he generally was unable to control this activity. Prior to the closing of the Benn High project, Plaintiff advised Defendant that no additional borrowing was to take place without his consent.

17. On or about August 18, 2025, Defendant and Zhang changed the locks at the office used by Hale Resources, and installed cameras above the door.

18. In September, 2025, Plaintiff became aware that Defendant had not paid the monthly rent for the office used by Hale Resources. Later, he also discovered that Hale Resources had failed to make a payment on a loan that was guaranteed personally by Defendant.

19. On October 10, 2025, Plaintiff received an e-mail from Defendant advising that he had removed \$236,056.14 from the VHIFII credit line without first advising Plaintiff or obtaining his consent. Plaintiff further indicated that he had distributed the funds to himself personally in order to cover the expenses of Hale Resources. Defendant further demanded that Plaintiff not withdraw any

funds from Hale Resources, and indicated that there was no money available to pay Plaintiff's periodic distributions, although it appears that Defendant continued to draw his share. A copy of Defendant's e-mail is attached hereto as Exhibit "2."

20. Upon review, Plaintiff determined that approximately \$77,000 of the funds had been deposited in Hale Resources' bank account, but he could not account for the remaining funds.

21. Defendant's unilateral decision to remove funds from the VHIFII credit line and distribute them to himself violated the loan guarantees assumed by Plaintiff and Hale Resources, and also violated Article V, Section 5.1 of the Operating Agreement, in that he distributed funds to himself without providing an equal distribution to Plaintiff.

CAUSE OF ACTION

INVOLUNTARY DISSOCIATION

22. Plaintiff realleges Paragraphs 1 through 21 above as if set forth hereunder.

23. Pursuant to 11 V.S.A. §4081(5), which is incorporated by reference at Article VIII, Section 8.2 of the Operating Agreement, this Court may expel Defendant from the company and terminate his interest in it if it finds that:

(a) Defendant engaged in wrongful conduct that has adversely and materially affected, or will adversely and materially affect, the company's business;

(b) Defendant willfully or persistently committed a material breach of the operating agreement or of a duty owed to the company or the other members under section 4059 of this title; or

(c) Defendant engaged in conduct relating to the company's business which makes it not reasonably practicable to carry on the business with the person as a member.

22. Defendant has violated 11 V.S.A. §4081(5) by, among other actions:

(a) mismanaging the company's finances, thus subjecting the company and Plaintiff to significant liabilities;

(b) refusing to permit Plaintiff to have oversight over the activities of the company or to exercise any authority over them;

(c) terminating the employment of key employees without obtaining the consent of Plaintiff, in violation of the Operating Agreement;

(d) permitting his paramour, Zhang, to usurp Plaintiff's authority and assume his decision-making ability, even though she was not a member of the company;

(e) locking out Plaintiff from the office of Hale Resources and the majority of the company's operating systems;

(f) improvidently obtaining loans from other entities and Zhang that created significant conflicts of interest and exposed the company and Plaintiff to significant liability;

(g) engaging in self-dealing by taking unauthorized distributions from the company, and preventing Plaintiff from obtaining agreed-upon distributions; and

(h) improperly transferring funds from a credit line, thus violating loan guarantees signed by the company and Plaintiff and exposing both to significant liability.

24. As a result of the foregoing, Defendant has engaged in misconduct prohibited by 11 V.S.A. §4081(5), and it is no longer practical or possible for the company to operate with Defendant as a member.

WHEREFORE, Plaintiff JON E. HALE requests that the Court enter judgment against Defendant ZACHARY HALE for the following relief:

a. Termination of his membership in Hale Resources LLC, without any compensation due from the company;

b. An award of damages to Plaintiff for any liabilities created by created by Defendant's misconduct, including, but not limited to, actual damages, consequential damages, exemplary damages, attorney's fees, and court costs, if permitted by law; and

c. Such other and further relief that the Court deems just and proper.

VERIFICATION BY PLAINTIFF

I, the Plaintiff, and under pains and penalties of perjury, do hereby certify that the foregoing is true, pursuant to my knowledge, information, and belief.



ID 7z7y8bQcFuKZWfXyLJCMYHq

JON E. HALE
Plaintiff

SUBMITTED this 22nd day of October, 2025.

Respectfully submitted,
LANDMARK LEGAL



ID zU15E1ajUrvnfUDaB9nzFyGK

Jason Scott Coupal, Esq.
P.O. Box 113
Fair Haven, VT 05743
(802) 276-6425
landmarklegalvt@gmail.com
Attorney for Plaintiff

eSignature Details

Signer ID: 7z7y8bQcFuKZWFXyLJCMYHq
Signed by: Jon E. Hale
Sent to email: haleapartments@yahoo.com
IP Address: 216.77.93.87
Signed at: Oct 22 2025, 1:27 pm EDT

Signer ID: zU15E1ajUrvnfUDaB9nzFyGK
Signed by: Jason Coupal
Sent to email: jason@landmarklegalfl.com
IP Address: 137.186.156.98
Signed at: Oct 22 2025, 1:37 pm EDT

EXHIBIT 1

OPERATING AGREEMENT
Hale Resources, LLC (A Vermont Limited Liability Company)
As Restated on March 4, 2019

This Operating Agreement (hereinafter the "Agreement") of Hale Resources, LLC, a Vermont limited liability company (hereinafter the "Company") is made and entered into to be effective as of the 4th day of March, 2019, by and between the Company and the persons or entities identified as members on **Schedule A** (hereinafter the "Members"), which is attached hereto and incorporated by reference herein.

Preliminary Statement

A. The Company has been formed as a limited liability company under Title 11, Chapter 25 of the Vermont Statutes Annotated (as amended from time to time, hereinafter The "Act") by the filing of Articles of Organization (hereinafter the "Articles") with the Vermont Secretary of State on the 11th day of February, 2009.

B. The Members wish to set out fully their respective rights, obligations, and duties regarding the Company and its assets and liabilities.

Agreement

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties hereby agree as follows:

Article I - Organization & Purpose

1.1 Formation. The Company has been formed by filing the Articles with the

Vermont Secretary of State. The Members hereby authorize, ratify, approve and adopt the actions of the organizer(s) in executing and filing the Articles.

1.2 Name. The name of the Company shall be Hale Resources, LLC.

1.3 Designated Office & Agent. The street and mailing addresses of the designated office of the Company shall be 748 Main Street, Bennington, Vermont 05201, and the agent for purposes of service of process shall be Jon E. Hale.

1.4 Principal Office. The principal office of the Hale Resources, LLC shall be located at 748 Main Street, Bennington, Vermont 05201.

1.5 Purpose & Powers. The purpose of the Company shall be to conduct any business that may be engaged in by a limited liability company organized under the Act, as determined by the Members from time to time. The primary business of the Company shall be general contracting and the management of residential real estate. The Company shall have all of the powers and privileges granted by the Act, any other applicable law, the Articles and this Agreement.

1.6 Admission of Company. Promptly after the formation of the LLC, a Member shall sign this Agreement on behalf of the Company and the Company shall become a party hereto.

Article II - The Members

2.1 Members. The name and address of each Member of the Company is set forth on **Schedule A**, which is attached to and incorporated by reference herein.

2.2 Admission of New Members. New Members shall be admitted upon such terms and conditions and for such capital contributions as the then existing Members shall determine by unanimous consent. In connection with the admission of an additional Member, the Members

shall amend **Schedule A** to add the name, address, capital contribution and Percentage Interest (as defined in Section 4.1) of the additional Member.

Article III - Management

3.1 Member Management. The management of the Company shall be vested in the Members, and each Member shall have all powers and rights necessary, appropriate or advisable to effectuate and carry out the purposes and business of the Company. The Members of the Company shall appoint a Member or a Committee of Members shall have the power, right and authority to act as agent on behalf of the Company for the purposes of its business; provided, however that no Member shall incur any substantial liability or obligation on behalf of the Company with any third party without the prior affirmative vote of all of the Members.

3.2 Employees, Officers, Etc. The Members may designate, appoint, employ, or otherwise contract with any persons or entities for the transaction of the business of the Company or the performance of services for or on behalf of the Company, and the Members may delegate to any such person (who may be designated an officer of the Company) or entity such authority to act on behalf of the Company as the Members may from time to time deem appropriate. As of the date hereof, the designated officers of the Company are set forth on **Schedule B** attached hereto and incorporated by reference herein. The Members shall amend **Schedule B** from time to time to reflect any changes in the designated officers.

3.3 Voting Requirements. Unless otherwise required by the Act or this Agreement, all actions, approvals and consents required to be taken or given by the Members under the Act, this Agreement or otherwise shall require the affirmative vote or written consent of all of the Members, including, without limitation, the following:

- (a) Changing the designated office or principal office of the Company;

- (b) Lending or borrowing, or guarantying indebtedness, whether absolute or contingent;
- (c) Entering into employment contracts and salary and bonus arrangements for agents, officers and employees of the Company; or
- (d) Changing any of the designated, appointed or employed persons or entities that act as agents for, or officers of, the Company pursuant to Section 3-2 herein.

Notwithstanding the foregoing, the following actions, approvals and consents shall require the affirmative vote or written consent of Members whose aggregate Percentage Interests equal one hundred percent (100%) of the Company's total Percentage Interests:

- (a) Selling, leasing, exchanging or other disposing of all or substantially all of the Company's property, with or without goodwill;
- (b) Compromising or releasing any claim or debt due to the Company, except on payment in full;
- (c) Converting, merging or dissolving the Company; or
- (d) Amending this Agreement or the Articles.

Article IV - Capital Contributions & Loans

4.1 Capital Contributions. Each Member has contributed to the Company cash or other property described in and having an agreed value as set forth in **Schedule A**, which is attached to and incorporated by reference into this Agreement. As used in this Agreement, a Member's "Percentage Interest" shall equal the value of the capital contributed by such Member to the Company, as a percentage of the total value of all Member capital contributions to the Company. The Percentage Interest of each Member is set forth on **Schedule A** attached hereto.

The total Percentage Interests of all Members shall, at all times, equal one hundred percent (100%).

4.2 Capital Calls. In the event that one hundred percent (100%) of the Percentage Interests of the Company vote in favor of additional capital contributions, the Company shall promptly issue a call for such additional capital contributions (a "Capital Call"). Each Member shall have the right to elect to contribute an amount of additional capital equal to such Member's Percentage Interest as of the date of the Capital Call multiplied by the total amount of the capital to be raised by the Capital Call. If a Member elects to contribute additional capital, the contribution shall be made within thirty (30) days of the issuance of the Capital Call. The Company shall notify all Members of each additional capital contribution received promptly after the thirty (30) day period. The other Members shall then have the option to contribute additional capital based on their Percentage Interest in relation to the Percentage Interests of all other Members who elected to respond to the Capital Call within the thirty (30) day time frame. Such additional capital contributions shall be made within seven (7) days of receipt of notice from the Company. A Member who elects not to contribute additional capital in response to a Capital Call shall have its Percentage Interest diluted, by recalculating each of the Percentage Interests after giving effect to the additional contributions of those Members that responded to the Capital Call.

4.3 Interest; Return of Capital. No Member shall be entitled to payment of interest on any capital contribution to the Company. No Member shall be entitled to the return of all or any part of the Member's capital contribution except (i) upon the Company's dissolution, or (ii) upon the Member's dissociation in accordance with Article VIII below, or (iii) with the written consent of all of the Members.

4.4 Loans. No Member shall loan or advance money to the Company without the consent of all the Members. Any such loan for which consent is given shall be entered separately on the books of the Company as a loan to the Company, shall bear interest at such rate as may be agreed to by the lending Member and the other Members, and shall be evidenced by a promissory note delivered to the lending Member and executed in the name of the Company.

Article V - Distributions & Allocations

5.1 Proportionate Distributions. Distributions of cash and other property of the Company shall be made to the Members in proportion to the Members' respective Percentage Interests, as set forth on **Schedule A** attached to this Agreement.

5.2 Distributions of Available Cash. All cash received by the Company from the operation of the business of the Company shall be applied initially to pay all operating expenses, satisfy and discharge all current obligations and liabilities of the Company, and to establish reasonable reserves for current expenses, working capital and contingencies. The amount of available cash held by the Company and not needed to pay such expenses, satisfy and discharge such current obligations and liabilities, and establish such reserves, shall be determined by the Members from time to time and shall be distributed in accordance with Section 5. 1.

5.3 Profits & Losses. All profits, losses, deductions, credits and other items of income, expense and tax benefit or burden shall be allocated to the Members in proportion to the Members' respective Percentage Interests, as set forth on **Schedule A** attached to this Agreement.

Article VI - Books of Account & Tax Matters

6.1 Books of Account, Method of Accounting. The Company shall maintain proper books of account at the Company's principal office. The books of account shall be maintained in accordance with generally accepted accounting practices as applicable to limited liability

companies. Such books of account shall be open for inspection at all reasonable times by the Members and their agents, accountant and attorneys.

6.2 Capital Accounts. The books of account for the Company shall include a single, separate capital account for each Member, showing all contributions to and withdrawals from the capital of the Company, and all distributions of cash and property and allocations of items of income and expense. The books of account and the capital accounts shall comply with all applicable provisions of the Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder, as amended (hereinafter collectively referred to as the "Code").

6.3 Annual Tax Reporting. Within 90 days after the close of the fiscal year of the Company, the Company shall prepare and deliver to the Members written reports which shall contain all information in the possession of the Company that is reasonably necessary to enable the Members to prepare their federal and state income tax returns.

6.4 Tax Filing Classification. The Member (or Members, as the case may be) shall elect, by simple majority vote the classification by which is shall be taxed under the Code. To that end, the Members shall promptly make any amendment of the Agreement, Articles or other relevant documents that becomes necessary or useful to ensure proper tax classification for the Company, and shall promptly take all other necessary or appropriate actions necessary to accomplish the same.

6.5 Fiscal Year. The fiscal year of the Company shall be the calendar year, and the last day of the Company's fiscal year shall be December 31.

Article VII - Transfers of Interests

7.1 Transfers of Interests. No Member shall sell, assign, pledge or otherwise transfer or encumber all or any part of such Member's interest in the Company, and no transferee of all or any part of the interest of a Member shall be admitted as a substituted Member, in either event, without first obtaining the prior written consent of all of the other Members. The Members shall amend **Schedule A** of this Agreement to set forth the name, business address, capital contribution and Percentage Interest of any transferee provided for under this Section 7. 1.

7.2 Transferees Bound. All transferees of any membership interest in the Company shall take such interest subject to the terms and conditions of this Agreement. No transferee shall become a substituted Member or be entitled to the rights of a Member in the Company unless such transferee executes an instrument agreeing to be bound by this Agreement.

Article VIII - Dissociation of Member

8.1 Events of Dissociation. A Member shall be dissociated from the Company only upon the occurrence of one or more of the events specified in Section 4081 of the Act.

8.2 Effect of Dissociation. In the event of a Member's dissociation pursuant to either Subsection 4081(4) or Subsection 4081(5) of the Act, the Company shall have no duty to pay the dissociated Member any amount for the Member's distributional interest. In all other instances of dissociation, the purchase price for the dissociated Member's distributional interest shall be the "fair market value" of the distributional interest determined as of the date of the expiration of the specified term of the Company.

8.3 Payment of Purchase Price. The Company shall pay the purchase price provided for in Section 8.2 hereof as follows: fifty percent (50%) of the purchase price shall be paid at a closing to occur within thirty (30) days of the determination of the purchase price, with the

balance payable after the closing in no more than twenty-four (24) equal monthly installments of principal and interest, with interest to accrue on the unpaid principal balance at a fixed rate equal to the "prime rate" reported in the Wall Street Journal as of the closing date.

Article IX - Dissolution

9.1 Dissolution. The Company shall be dissolved upon the earliest to occur of the following:

- (a) The agreement of all the Members to dissolve the Company; or
- (b) Any event which results in mandatory dissolution under the Act.

9.2 Right to Continue. Upon dissociation of a Member, the business of the Company shall be continued, and the Company shall not be not dissolved, unless such dissolution is consented to by the remaining Members (other than the dissociated Member) who hold Percentage Interests that equal one hundred percent (100%) of the Company's total remaining Percentage Interests.

Article X - Member Indemnification

10.1 Indemnification. Subject to the limitations set forth in the Act, the Company shall indemnify and hold harmless each Member, the affiliates of each Member and the agents and employees of the Company (an "Indemnified Party") against any and all losses, claims, damages, expenses and liabilities (including but not limited to any investigation, legal or other reasonable expenses incurred in connection with, and any amounts paid in settlement of, any actions, suits, proceedings or claims) of any kind or nature whatsoever that the Indemnified Party may become subject to or liable for by reason of the formation, operation or termination of the Company, or such Indemnified Party's actions as a Member, employee or agent of the Company (including, without limitation, indemnification against negligence, gross negligence and breach

of duty); provided however, that no person or entity shall be indemnified to the extent the liability arises from the actual fraud or willful misconduct of such person or entity or from any transaction in which such person or entity derived improper personal benefit. The indemnity provided hereunder shall survive the termination of the Company and this Agreement.

10.2 Advances of Expenses. Costs and expenses that are subject to the indemnification set forth in Section 10.1, herein, shall, at the request of the Indemnified Party, be advanced by the Company to such Indemnified Party prior to the final resolution of the matter, so long as the Indemnified Party agrees in writing to reimburse the Company for the amount advanced if it is ultimately determined that there was no entitlement to indemnification under Section 10.1.

Article XI - Confidentiality

11.1 Members' Duty of Confidentiality. During the period in which any Member holds a membership interest in the Company and at all times thereafter, the Member shall maintain in strict confidence all Confidential Information.

11.2 Definition of Confidential Information. Confidential Information means (i) the terms of this Agreement, and (ii) all information relating to the Company, its products, services, operations and Members that (A) derives independent and economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (B) the Company makes reasonable efforts under the circumstances to maintain as secret or proprietary.

11.3 Exceptions to Duty of Confidentiality. No Member shall have any duty to maintain the confidentiality of any item of information under Section 11.1: (i) which is or enters the public domain through no fault of Member; (ii) when disclosure is required by any

governmental authority; or (iii) when disclosure is reasonably required by the Company or a Member in connection with the operation and business purposes of the Company.

11.4 Survival. This Article XI shall survive the termination of this Agreement.

Article XII - Miscellaneous Provisions

12.1 Entire Agreement. This Agreement contains the complete agreement among the Members concerning its subject matter, and it supersedes any earlier agreements among them, whether written or oral, concerning its subject matter.

12.2 Amendments. This Agreement and the Articles shall be amended only upon the written consent of all the Members.

12.3 Applicability of the Act. Except as otherwise expressly provided in this Agreement and in the Articles, all provisions of the Act as now in effect and as amended from time to time shall apply in The Agreement as if fully incorporated herein.

12.4 Notices. All notices under this Agreement shall be in writing, and shall be sent by facsimile or by registered or certified U.S. mail, return receipt requested, to the Company at its principal office and to the Members at their respective addresses as stated on **Schedule A**, attached to this Agreement. A Member may change the Member's address for purposes of this Section 12.4 at any time upon reasonable notice to the other Members. Notices shall be effective when actually received.

12.5 Governing Law. This Agreement shall be governed exclusively by the laws of the State of Vermont, without regard to principles of conflicts of laws.

12.6 Arbitration. (Omitted.)

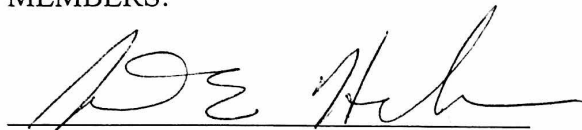
12.7 Venue. Unless unanimously agreed to by the entire membership interest of the Company, the proper venue for any legal action taken in regards to the Company shall be the

Vermont Superior Court, Bennington Civil Division.

12.8 Counterparts. This Agreement may be signed in identical counterparts, all of which together shall constitute a single legal instrument.

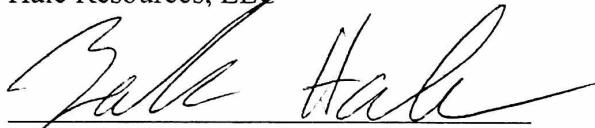
In Witness Whereof, the undersigned Members and the Company have executed this Agreement on the dates set forth below, to be effective as of the date first set forth above.

MEMBERS:



Jon E. Hale, Member
Hale Resources, LLC

Dated: 3/13/19



Zachary Hale, Member
Hale Resources, LLC

Dated: 3/13/19

COMPANY:



Jon E. Hale, Manager
Hale Resources, LLC

Dated: 3/13/19

SCHEDULE A

<u>MEMBER</u>	<u>BUSINESS ADDRESS</u>	<u>PERCENTAGE CONTRIBUTION</u>	<u>INTEREST</u>
Jon E. Hale	748 Main Street Bennington, VT 05201	60.00%	60%
Zachary Hale	748 Main Street Bennington, VT 05201	40.00%	40%

SCHEDULE B

MEMBER

Jon E. Hale

**BUSINESS
ADDRESS**

748 Main Street
Bennington, VT 05201

OFFICE

Manager

EXHIBIT 2

From: Zak Hale <zak@haleresources.com>

Sent: Friday, October 10, 2025 2:35 PM

To: Jon Hale <jon@haleresources.com>

Subject: Notice of Financial Actions and Expectations of Hale Resources, LLC

Hi Jon,

I am writing to inform you of several steps I have taken following our recent conversations. I have made repeated requests, both in writing and over the phone, for us to address Hale Resources' immediate financial needs. These needs are a direct result of other LLCs we jointly own owing substantial amounts to Hale Resources for costs it covered on their behalf. Since you have made any contribution contingent on discussing dissolution of the company, which I cannot agree to given my fiduciary obligations, I have acted to ensure Hale Resources can meet its obligations and avoid further harm.

In response to your continued efforts to restrict and remove liquidity from Hale Resources, LLC, I used \$236,056.14 of the \$472,112.28 loan (50%) from Vermont Housing Initiative Fund II, LLC to Hale Resources, LLC to repay that same loan to VHIF II, LLC. Those funds were then distributed to me personally from VHIF II, LLC so that I could cover both my share of financial responsibilities and yours, as you have declined to do so. This action was necessary to keep the funds accessible and to preserve operational stability, not only for Hale Resources but also for several entities in which you continue to hold an interest.

To be clear, your 50 percent share (\$236,056.14) of the VHIF II, LLC loan proceeds remain as a loan to Hale Resources, LLC and has been applied toward the HFCU Line of Credit, which currently has \$263,948.86 drawn on it. You may elect to have your \$236,056.14 repay VHIF II, LLC in order to receive a distribution from that entity as well. However, under the indemnification agreement for Benn High, those funds must remain available to support the project. If you withdraw them, you would be acting contrary to that agreement and forfeiting the protections it provides.

Separately, and unrelated to the VHIF II, LLC funds discussed above, you must immediately cease withdrawing any funds from Hale Resources, LLC. There are no profits available for

**STATE OF VERMONT
PROFESSIONAL RESPONSIBILITY PROGRAM**

In Re: Thomas Melone
PRB File No. 25-120

CERTIFICATE OF SERVICE

I certify that on October 28, 2025, I sent the attached **RESPONDENT’S
SUPPLEMENT TO RESPONDENT’S SPECIAL MOTION TO STRIKE UNDER 12
V.S.A. § 1041, MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM,
MOTION FOR A MORE DEFINITE STATEMENT** by email to Michael Hanley at
mfhanley@plantehanley.com.

By: /s/ Thomas Melone
Thomas Melone
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Thomas.Melone@AllcoUS.com
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